

**LFC Requester:****Jon Clark**

**AGENCY BILL ANALYSIS  
2016 REGULAR SESSION**

**WITHIN 24 HOURS OF BILL POSTING, EMAIL ANALYSIS TO:**

**[LFC@NMLEGIS.GOV](mailto:LFC@NMLEGIS.GOV)**

*and*

**[DFA@STATE.NM.US](mailto:DFA@STATE.NM.US)**

*{Include the bill no. in the email subject line, e.g., HB2, and only attach one bill analysis and related documentation per email message}*

**SECTION I: GENERAL INFORMATION**

*{Indicate if analysis is on an original bill, amendment, substitute or a correction of a previous bill}*

*Check all that apply:*

**Original**      X   **Amendment**            
**Correction**           **Substitute**          

**Date**   3 February 2016  

**Bill No:**   SB 268  

**Sponsor:**   Sen. Michael Sanchez  

**Agency Code:**   305  

**Short**      Local Project Money to Small  

**Person Writing**      Joseph M. Dworak  

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**SECTION II: FISCAL IMPACT**

**APPROPRIATION (dollars in thousands)**

Appropriation		Recurring or Nonrecurring	Fund Affected
FY16	FY17		

(Parenthesis ( ) Indicate Expenditure Decreases)

**REVENUE (dollars in thousands)**

Estimated Revenue			Recurring or Nonrecurring	Fund Affected
FY16	FY17	FY18		

(Parenthesis ( ) Indicate Expenditure Decreases)

**ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)**

	<b>FY16</b>	<b>FY17</b>	<b>FY18</b>	<b>3 Year Total Cost</b>	<b>Recurring or Nonrecurring</b>	<b>Fund Affected</b>
<b>Total</b>						

(Parenthesis ( ) Indicate Expenditure Decreases)

Duplicates/Conflicts with/Companion to/Relates to:  
Duplicates/Relates to Appropriation in the General Appropriation Act

**SECTION III: NARRATIVE****BILL SUMMARY**

This analysis is neither a formal Attorney General's Opinion nor an Attorney General's Advisory Letter. This is a staff analysis in response to an agency's, committee's, or legislator's request.

**Synopsis:**

Senate Bill 268 proposes two new sections to the Local Economic Development Act (NMSA 1978, §§ 5-10-1 to -13) that would create a local economic development fund administered by the Economic Development Department and require the department to expend twenty-five percent of its money for the Local Economic Development Act to projects supporting small businesses. Small businesses are defined under SB268 as those independently owned and operated that employ no more than 25 employees.

**FISCAL IMPLICATIONS****SIGNIFICANT ISSUES****PERFORMANCE IMPLICATIONS**

Consideration should be given to the process in which the department follows for appropriating funds from the local economic development fund.

**ADMINISTRATIVE IMPLICATIONS****CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP****TECHNICAL ISSUES**

In Section 2, it would be helpful to clarify on line 2 the source of funding that is involved in order to avoid interpretation differences with the department expending funds for similar projects that may be tied to local economic development but funded by other sources. The change could include language such as:

“The department shall apply at least twenty-five percent of the money it expends from the local economic development fund to carry out the purposes of the Local Economic Development Act to projects that directly support small businesses.”

**OTHER SUBSTANTIVE ISSUES**

**ALTERNATIVES**

**WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL**

**AMENDMENTS**